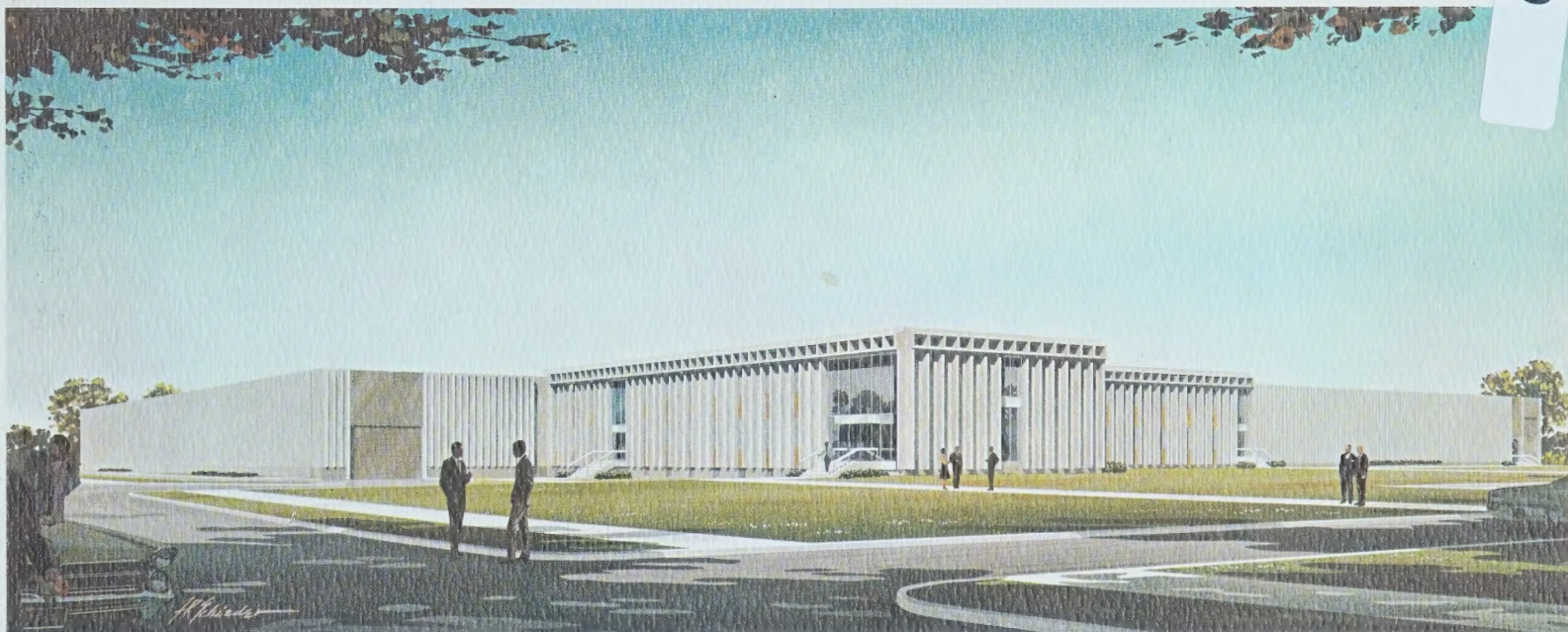




# SHOP & SAVE (1957) LTD.

## ANNUAL REPORT

FISCAL YEAR ENDED MARCH 25th, 1967



Our new Distribution Centre depicted on the front cover was completed early in 1967 and we commenced full operations there on March 27.

# SHOP & SAVE (1957) LTD.

Head Office & Warehouse 11281 Albert Hudon Blvd.  
Montreal-North, P.Q.

## DIRECTORS

A. Archambault  
\*G. Hudon  
\*F. A. Juno  
\*J. A. Nolan, Q.C.  
\*S. F. Raymond  
M. B. Rowe  
\*W. B. Younkier  
\*Executive Committee

## OFFICERS

F. A. Juno.....President & General Manager  
G. Hudon.....Executive Vice-President  
W. B. Younkier.....Vice-President  
S. F. Raymond.....Vice-President  
J. A. Nolan, Q.C.....Secretary  
A. Archambault.....Treasurer

Transfer Agent & Registrar  
THE ROYAL TRUST COMPANY  
Montreal & Toronto

Bankers  
BANK OF MONTREAL  
PROVINCIAL BANK OF CANADA

Auditors  
CAMPBELL, SHARP, MILNE & CO.  
Montreal, P.Q.



## TO THE SHAREHOLDERS

I am happy to report that for the 12th consecutive year, since acquisition of the business by the present management, Shop & Save (1957) Ltd. has established new high records in both sales and earnings. Also highlighting the year's operations were the substantial strengthening of the Company's working capital position, and the occupancy of our new Distribution Centre with its most modernly equipped and widely expanded business facilities.

Comparative figures of the fiscal year ended March 25, 1967, and those of the year preceding are detailed in the within Financial Statements.

## OPERATING RESULTS

Aggregate sales for the year were \$63,629,854 showing an increase of \$7,669,852 or 13.70% over the preceding year's volume of \$55,960,002.

Net profit, after taxes, was \$866,980 versus \$759,812 the year before, registering an increase of \$107,168 or 14.10%. On a per share basis net profit equalled 82 cents per share compared with 72 cents per share. Cash flow earnings (before depreciation) totalled \$1,315,445 compared with \$1,151,050, equal per share to \$1.25 and \$1.09 respectively. Operating income (before taxes) of \$1,456,980 was 21.42% higher than that of the previous fiscal

year; a higher income tax provision reduced the percentage gain in net to the aforementioned 14.10%. The preceding year's net profit percentage to sales of 1.36% was maintained.

In assessing the past year's results shareholders should give cognizance to the fact that net profits shown are after absorption of substantial extraordinary expenses incurred in the move to the Company's new Distribution Centre and in the start-up of the Electronic Data Processing system. All such expenses have been paid or provided for.

## FINANCES

At the time of issuance of our last Annual Report any urgent need for borrowing funds other than by way of increased bank loans was not visualized. Later circumstances dictated otherwise. Ensuing stringent credit conditions obliged the Company to seek funds in the public market for required replenishment of working capital.

In December last, the Company sold \$3,000,000 principal amount of 20 Year 6½% Unsecured Convertible Debentures. After lengthy consideration your Directors concluded this method of financing to be the most economically feasible under the prevailing conditions.

As at March 25, 1967, after the year's total capital asset expenditures of \$3,183,919, covering the complete cost of the new Distribution Centre plus newly acquired warehouse and store equipment, net working capital stands at \$805,485. Shareholders'

equity equalled \$6.55 per share compared with \$6.23 per share at previous year-end.

Balance Sheet date, March 25, 1967, found the Company carrying \$1,200,000 worth of warehouse inventories in excess of normal level; in consequence, Accounts Payable were affected by a rise of similar amount. This was a temporary condition arising from the transfer of warehouse operations to the new Distribution Centre, which occurred just at the year-end, and which necessitated inventories in the new and old warehouses. Through the cooperation of our suppliers in granting extended payment terms for needed purchases, the new warehouse was completely stocked with maximum requirements at the fiscal year-end.

Total warehouse inventories, as of March 25, 1967, have since then been drawn upon to the extent that they are now down to normal proportions. Related Accounts Payable at time of writing stand similarly normalized.

## NEW FACILITIES

There are many features inherent in the operation of the Company's new Distribution Centre; its strategic location, its size and layout designed to accommodate the Company's constantly increasing volume of business, and the advantages of most modern equipment, all of which are conducive to improved business efficiency. Likely of highest importance is our newly added Electronic Data Processing Department. Initially programmed to provide for accuracy in inventory control, it is already demon-

strating its functional value in this respect, both at warehouse and store levels. Additional adaptations of E.D.P. to other facets of operations are being pursued; benefits derived from the valuable information so obtained will, over the longer period, contribute to more profitable conduct of our business.

## EXPANSION DEVELOPMENT

Application to the planning and development of the Company's newly located Distribution Centre curtailed retail outlet expansion last year; however, five new Shop & Save stores were opened, bringing to 60 the number of such units presently in operation. Present indications are that three or four new stores will be opened in the current year.

Although our Cash & Carry depots have not yet been enlarged in number the aggregate sales volume of those in operation has reached a new high. New sites for additional depots are being explored in relation to their productive sales potential.

I.G.A. affiliated retailer membership has been soundly maintained. Total sales of such members rose to record volume, with many members achieving new highs in profit performance.

## PERSONNEL

"Our people" continue to be the Company's most important asset in relation to earnings. Rising costs and intensified competition, which reign in the food merchandising business of

today, demand ever keener efforts in order to produce a reasonable operating profit. Shop & Save is fortunate that it has in its employ a management team in depth whose long experience and dedication to the job enable it to cope successfully with prevailing conditions.

## OUTLOOK

You are fully cognizant of the profit squeeze which faces the food distribution industry this year. We have the determination to continue to surmount this influence and obtain satisfactory results.

Shop & Save is now possessed of enlarged and modernized business facilities with which to expand its activities and to provide for economies in operation. Concentrated efforts upon aggressive selling and tight expense control are "orders of the day".

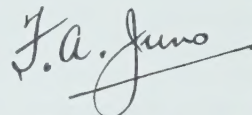
Our aim is to provide the food consumer with high satisfaction in the matter of price, quality and service and to produce for your Company a just business return.

## APPRECIATION

We are grateful indeed for the particularly helpful cooperation of our suppliers. We thank our customers for their valuable patronage. To each and all of our employees we voice deep appreciation of their loyalty and their zeal in discharging the

responsibilities of their respective duties. The sustained interest of the shareholders gives encouragement to all at Shop & Save (1957) Ltd. to exert their best efforts to promote the Company's business success.

On behalf of the Board of Directors.

A handwritten signature in dark ink, reading "F.A. Juno". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

FRANK A. JUNO

President & General Manager

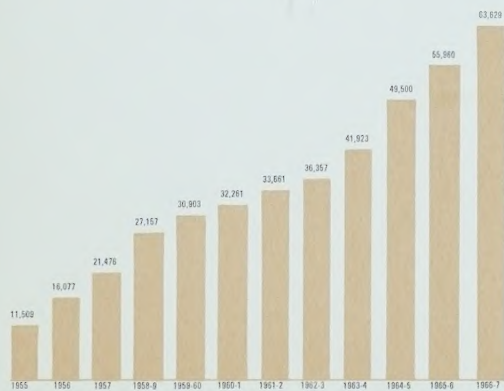
Montreal, July 11, 1967.



# TWELVE YEARS OF GROWTH

## SALES

000's omitted

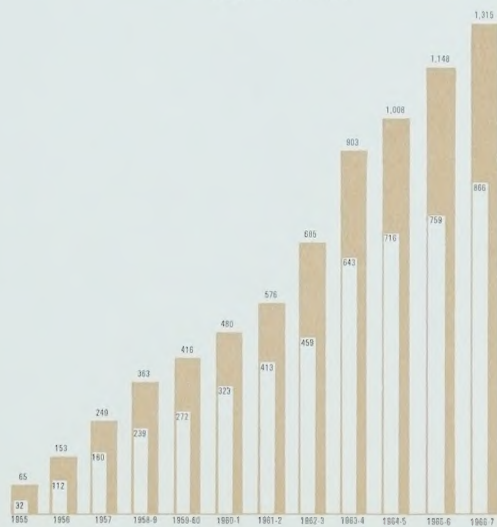


NET PROFIT



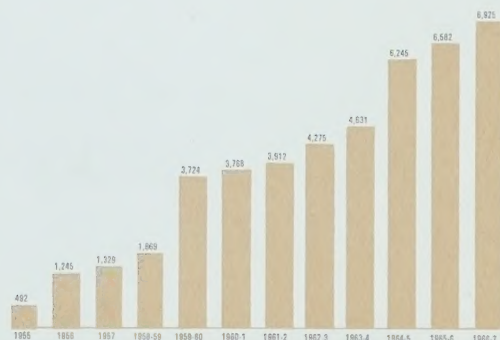
CASH FLOW

000's omitted



## SHAREHOLDERS' EQUITY

000's omitted



**SHOP & SAVE (1957) LTD.***AND ITS WHOLLY-OWNED SUBSIDIARY COMPANIES***STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS**

|                                                            | FISCAL YEARS ENDED |                  |
|------------------------------------------------------------|--------------------|------------------|
|                                                            | March 25<br>1967   | March 26<br>1966 |
| <b>SOURCES OF FUNDS</b>                                    |                    |                  |
| Net earnings from operations.....                          | \$ 866,980         | \$ 759,812       |
| Items which do not reduce working capital                  |                    |                  |
| Depreciation of fixed assets.....                          | 452,425            | 388,243          |
| (Profit) or loss on sale of fixed assets.....              | (3,960)            | 2,995            |
| Cash flow from earnings.....                               | 1,315,445          | 1,151,050        |
| Reductions of loans and advances.....                      | 23,597             | 50,214           |
| Proceeds of sale of land held for resale.....              | 53,007             | —                |
| Issue of Debentures, less discount and costs of issue..... | 2,898,774          | —                |
|                                                            | 4,290,823          | 1,201,264        |
| <b>APPLICATION OF FUNDS</b>                                |                    |                  |
| Increase in loans for retail store development.....        | 141,191            | 62,559           |
| Acquisition of property to be held for resale.....         | —                  | 76,239           |
| Additions to fixed assets, less proceeds of sales.....     | 3,183,919          | 1,950,607        |
| Payment of dividends to shareholders.....                  | 422,621            | 422,621          |
|                                                            | 3,747,731          | 2,512,026        |
| <b>NET INCREASE (DECREASE) IN WORKING CAPITAL.....</b>     |                    |                  |
|                                                            | 543,092            | (1,310,762)      |



**SHOP & SAVE (1957) LTD.**

AND ITS WHOLLY-OWNED SUBSIDIARY COMPANIES

**STATEMENT OF CONSOLIDATED EARNINGS**

|                                        | FISCAL YEARS ENDED |                  |
|----------------------------------------|--------------------|------------------|
|                                        | March 25<br>1967   | March 26<br>1966 |
| SALES                                  | \$63,629,854       | \$55,960,002     |
| EARNINGS FROM OPERATIONS               | 1,456,980          | 1,199,912        |
| PROVISION FOR TAXES ON INCOME (Note 3) | 590,000            | 440,100          |
| NET EARNINGS                           | 866,980            | 759,812          |

## NOTE:

|                                      |         |         |
|--------------------------------------|---------|---------|
| Remuneration                         |         |         |
| Executive officers and directors     | 91,600  | 91,000  |
| Legal fees                           | 27,675  | 11,050  |
| Depreciation of fixed assets         | 452,425 | 388,243 |
| Interest on debentures               | 45,277  | —       |
| Investment income—affiliated company | 10,279  | —       |

**STATEMENT OF CONSOLIDATED RETAINED EARNINGS**

|                                  |              |              |
|----------------------------------|--------------|--------------|
| Balance at beginning of the year | \$ 2,301,078 | \$ 1,963,887 |
| Net earnings for the year        | 866,980      | 759,812      |
|                                  | 3,168,058    | 2,723,699    |
| Less: Dividends paid             | 422,621      | 422,621      |
|                                  | 2,745,437    | 2,301,078    |
| Net cost of issue of debentures  | 101,226      | —            |
|                                  | 2,644,211    | 2,301,078    |

**SHOP & SAVE (1957) LTD.**

AND ITS WHOLLY-OWNED SUBSIDIARY COMPANIES

**CONSOLIDATED****ASSETS**

|                                                                     | March 25<br>1967    | March 26<br>1966    |
|---------------------------------------------------------------------|---------------------|---------------------|
| <b>CURRENT</b>                                                      |                     |                     |
| Cash on hand, in transit and in banks.....                          | \$ 781,683          | \$ 368,273          |
| Accounts receivable.....                                            | 322,593             | 437,081             |
| Merchandise delivered to retailers in process of billing.....       | 188,532             | 123,706             |
| Inventory of merchandise valued at the lower of cost or market..... | 5,147,655           | 3,893,276           |
| Prepaid expenses.....                                               | 135,193             | 61,375              |
| Refundable special federal tax on income.....                       | 58,250              | —                   |
|                                                                     | <u>6,633,906</u>    | <u>4,883,711</u>    |
| <b>OTHER</b>                                                        |                     |                     |
| Loans—secured                                                       |                     |                     |
| To procure sites for IGA stores.....                                | 366,058             | 384,655             |
| To IGA members for retail store development.....                    | 274,202             | 133,011             |
| Mortgage on property sold.....                                      | 65,000              | 70,000              |
| Land and buildings held for resale, at cost                         |                     |                     |
| less accumulated depreciation (Note 1).....                         | 1,053,447           | 274,273             |
| Investment in affiliated company, at cost (Note 2).....             | 151,895             | 151,895             |
|                                                                     | <u>1,910,602</u>    | <u>1,013,834</u>    |
| <b>FIXED</b>                                                        |                     |                     |
| At cost                                                             |                     |                     |
| Land.....                                                           | 730,049             | 870,796             |
| Buildings.....                                                      | 2,343,677           | 958,169             |
| Equipment.....                                                      | 6,128,007           | 5,279,793           |
|                                                                     | <u>9,201,733</u>    | <u>7,108,758</u>    |
| Less: Accumulated depreciation (Note 3)                             |                     |                     |
| Buildings.....                                                      | 12,601              | 227,975             |
| Equipment.....                                                      | 1,979,673           | 1,574,597           |
|                                                                     | <u>1,992,274</u>    | <u>1,802,572</u>    |
| Net Fixed Assets.....                                               | <u>7,209,459</u>    | <u>5,306,186</u>    |
|                                                                     | <u>\$15,753,967</u> | <u>\$11,203,731</u> |

Signed on behalf of the board

A. Archambault, Director

W. B. Younkie, Director

# BALANCE SHEET

## LIABILITIES

|                                                                                                  | March 25<br>1967 | March 26<br>1966 |
|--------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>CURRENT</b>                                                                                   |                  |                  |
| Bank loans.....                                                                                  | \$ 903,500       | \$ 1,893,500     |
| Accounts payable.....                                                                            | 4,002,219        | 2,425,227        |
| Amount due on construction and equipment.....                                                    | 356,277          | —                |
| Accrued Debenture interest .....                                                                 | 52,222           | —                |
| Sales taxes and employees' income taxes.....                                                     | 127,882          | 96,652           |
| Taxes on income (Note 3).....                                                                    | 319,506          | 129,769          |
| Loans—secured.....                                                                               | 66,815           | 76,170           |
|                                                                                                  | 5,828,421        | 4,621,318        |
| <b>6½% CONVERTIBLE SINKING FUND DEBENTURES, SERIES A</b><br>due December 15, 1986 (Note 4) ..... | 3,000,000        | —                |

## SHAREHOLDERS' EQUITY

|                               |              |              |
|-------------------------------|--------------|--------------|
| <b>CAPITAL STOCK (Note 4)</b> |              |              |
| Common shares of no par value |              |              |
| Authorized: 1,500,000         |              |              |
| Issued: 1,056,552.....        | 4,281,335    | 4,281,335    |
| <b>RETAINED EARNINGS.....</b> | 2,644,211    | 2,301,078    |
|                               | 6,925,546    | 6,582,413    |
|                               | \$15,753,967 | \$11,203,731 |

The accompanying notes (1 to 5) are an integral part of the financial statements and should be read in conjunction therewith.



*NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
AS AT MARCH 25, 1967*

## NOTES

### NOTE 1: Land and Buildings Held for Resale

Included is the Esplanade Avenue property which was vacated near the end of the fiscal year. It is included at replacement value at November 2, 1955, less accumulated depreciation computed on cost.

### NOTE 2: Investment

The investment represents a 26.3% interest in the capital stock of Marchan Co. Limited, a Canadian corporation, which owns I.G.A. Canada Limited.

### NOTE 3: Income Taxes and Depreciation

Taxes on income for the year were reduced as a result of claiming, as a deduction for depreciation of fixed assets, an amount of \$308,000. in excess of that provided in the accounts; to date an amount of \$1,482,000. additional depreciation has been so claimed resulting in a reduction of income taxes by approximately \$762,000. to the date of the balance sheet. The company continued its policy of amortizing the cost of these assets over their estimated useful lives.

### NOTE 4: Convertible Debentures and Capital Stock

The debentures were issued December 15, 1966 for \$2,910,000. cash and are redeemable from December 16, 1971 at a premium of 4.75%, the rate reducing regularly each year until December 14, 1985 after which date redemption is at par value.

For conversion purposes 195,000 unissued shares of the capital stock of the company have been reserved.

### NOTE 5: Long Term Leases

The company has contractual obligations, either direct or by guarantee, with respect to seventy long term retail store leases. The aggregate annual rental for the 1967-68 year is \$986,000. Highly important to the company is the fact that few leases have escalator tax provisions requiring payment of higher rentals in the event of property tax increases. Every lease contains a clause granting the right to sub-let the premises.

## AUDITORS' REPORT

We have examined the consolidated balance sheet of Shop & Save (1957) Ltd. and its wholly-owned subsidiary companies as at March 25, 1967 and related statements of consolidated earnings, retained earnings and source and application of funds for the fiscal year ended on that date. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the companies as at March 25, 1967, and the results of their operations and the source and application of funds for the fiscal year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

(Signed) CAMPBELL, SHARP, MILNE & CO.  
Chartered Accountants.

Montreal, June 7, 1967.

NOTES

NOTE 1 : Terrains et immeubles à être vendus

La propriété de l'avenue Esplanade, laquelle est inoccupée depuis la fin de l'exercice financier, est comprise dans ce montant à sa valeur de remplacement au 2 novembre 1955, moins l'amortissement accumulé, calculé sur le prix coûtant.

NOTE 2 : Placement

Le placement représente un intérêt de participation de 26,3% du capital actions de Marchan Co. Limited, une société canadienne, laquelle possède I.G.A. Canada Limited.

NOTE 3 : Impôts et amortissement

Les impôts sur le revenu pour l'exercice ont été réduits, du fait qu'une somme additionnelle de \$308,000, pour l'amortissement a été réclamée en plus de celle prévue dans les comptes; à date un amortissement additionnel au montant de \$1,482,000, d'environ \$762,000, à la date du bilan. Comme par le passé, la société a amorti le coût de ces immobilisations selon leur durée.

NOTE 4 : Obligations convertibles et capital actions

Les obligations ont été émises le 15 décembre 1966 pour une valeur au comptant de \$2,910,000, et sont remboursables à compter du 16 décembre 1971 à prime de 4,75%, le taux de cette prime sera réduit régulièrement à chaque année jusqu'au 14 décembre 1985, et à compter de cette date le rembourse-ment sera au pair.

195,000 actions non émises du capital actions de la société ont été mises de côté pour les fins de cette conversion.

NOTE 5 : Baux à longs termes

La société a des obligations contractuelles, directement ou par garantie, sous forme de soixante-dix baux à longs termes, pour magasins de détail. L'ensemble de ces loyers pour l'exercice 1967-68 est de \$986,000. Très important pour la société est le fait que peu de baux stipulent une augmentation de loyer dans l'éventualité d'une hausse de taxes foncières. Chaque bail contient une clause accordant le droit de sous-louer les magasins.

RAPPORT DES VÉRIFICATEURS

Nous avons examiné le bilan consolidé de Shop & Save (1957) Ltd. et ses filiales possédées intégralement, arrêté au 25 mars 1967, et les états consolidés s'y rapportant, de bénéfices, de bénéfices retenus et de provenance et d'utilisation des fonds pour l'exercice financier terminé à cette date. Notre examen a comporté une revue générale des procédés comptables et tels sondages des livres et pièces comptables et autres preuves à l'appui que nous avons considérées nécessaires dans les circonstances.

À notre avis, ces états financiers présentent équitablement la situation financière des sociétés au 25 mars 1967, ainsi que les résultats de leurs opérations et de provenance et d'utilisation des fonds pour l'exercice terminé à cette date et conformément aux principes comptables généralement reconnus, appliqués de la même manière qu'au cours de l'exercice précédent.

(Signé) CAMPBELL, SHARP, MILNE & CO.  
Comptables agréés.

Montréal, le 7 juin 1967.

# CONSOLIDÉ

## PASSIF

Au 26 mars  
1966

Au 25 mars  
1967

### EXIGIBILITÉS

|                                                                                                                 |            |              |
|-----------------------------------------------------------------------------------------------------------------|------------|--------------|
| Emprunts de banque.....                                                                                         | \$ 903,500 | \$ 1,893,500 |
| Comptes à payer.....                                                                                            | 4,002,219  | 2,425,227    |
| Montant dû pour construction et équipement.....                                                                 | 356,277    | —            |
| Intérêt couru sur obligations.....                                                                              | 52,222     | —            |
| Taxes de vente et impôts des employés.....                                                                      | 127,882    | 96,652       |
| Impôts sur le revenu (Note 3).....                                                                              | 319,506    | 129,769      |
| Emprunts—garantis.....                                                                                          | 66,815     | 76,170       |
|                                                                                                                 | 5,828,421  | 4,621,318    |
| OBLIGATIONS À 6½% CONVERTIBLES AVEC FONDS D'AMORTISSEMENT, SÉRIE A<br>échéant le 15 décembre 1986 (Note 4)..... | 3,000,000  | —            |

## AVOIR DES ACTIONNAIRES

### CAPITAL ACTIONS (Note 4)

Actions ordinaires sans valeur au pair  
Autorisées: 1,500,000  
Émises: 1,056,552

|              |              |
|--------------|--------------|
| 4,281,335    | 4,281,335    |
| 2,644,211    | 2,644,211    |
| 6,925,546    | 6,925,546    |
| \$11,203,731 | \$11,203,731 |

Les notes (1 à 5) font partie intégrante de ces états financiers et devraient être lues conjointement.



BILAN

ACTIF

| Au 26 mars 1966 |  | Au 25 mars 1967                                        |  |
|-----------------|--|--------------------------------------------------------|--|
|                 |  | \$                                                     |  |
| \$ 368,273      |  | \$ 781,683                                             |  |
| 437,081         |  | 322,593                                                |  |
| 123,706         |  | 188,532                                                |  |
|                 |  | 5,147,655                                              |  |
| 3,893,276       |  | 135,193                                                |  |
| 61,375          |  | 58,250                                                 |  |
| —               |  | 6,633,906                                              |  |
| 4,883,711       |  |                                                        |  |
|                 |  | AUTRES                                                 |  |
|                 |  | Emprunts—garantis                                      |  |
|                 |  | Affin d'obtenir des emplacements pour des magasins IGA |  |
| 384,655         |  | 366,058                                                |  |
| 133,011         |  | 274,202                                                |  |
| 70,000          |  | 65,000                                                 |  |
|                 |  | Terrains et immeubles à être vendus, au prix coûtant   |  |
| 274,273         |  | 1,053,447                                              |  |
| 151,895         |  | 151,895                                                |  |
| 1,013,834       |  | 1,910,602                                              |  |
|                 |  | IMMOBILISATIONS                                        |  |
|                 |  | Au prix coûtant                                        |  |
|                 |  | Terrains                                               |  |
| 870,796         |  | 730,049                                                |  |
| 958,169         |  | 2,343,677                                              |  |
| 5,279,793       |  | 6,128,007                                              |  |
| 7,108,758       |  | 9,201,733                                              |  |
|                 |  | Moins: Amortissement accumulé (Note 3)                 |  |
| 227,975         |  | 12,601                                                 |  |
| 1,574,597       |  | 1,979,673                                              |  |
| 1,802,572       |  | 1,992,274                                              |  |
|                 |  | Valeur nette des immobilisations                       |  |
| 5,306,186       |  | 7,209,459                                              |  |
| \$11,203,731    |  | \$15,753,967                                           |  |

Signé pour le conseil d'administration  
A. Archambault, administrateur  
W. B. Younkie, administrateur

ÉTAT CONSOLIDÉ DE BÉNÉFICES

EXERCICE TERMINÉ LE  
26 mars  
1966

| VENTES                                       |           |           |
|----------------------------------------------|-----------|-----------|
| BÉNÉFICE DES OPÉRATIONS                      | 1,456,980 | 1,199,912 |
| PROVISION POUR IMPÔTS SUR LE REVENU (Note 3) | 590,000   | 440,100   |
| BÉNÉFICE NET                                 | 866,980   | 759,812   |

NOTE:

|                                        |         |         |
|----------------------------------------|---------|---------|
| Emoluments                             |         |         |
| Officiers exécutifs et administrateurs | 91,600  | 91,000  |
| Frais légaux                           | 27,675  | 11,050  |
| Amortissement des immobilisations      | 452,425 | 388,243 |
| Intérêt des obligations                | 45,277  | —       |
| Revenu de placement—société affiliée   | 10,279  | —       |

ÉTAT CONSOLIDÉ DE BÉNÉFICES RETENUS

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| Solde au début de l'exercice         | \$ 2,301,078 | \$ 1,963,887 |
| Bénéfice net pour l'exercice         | 866,980      | 759,812      |
| Moins: Dividendes payés              | 3,168,058    | 2,723,699    |
|                                      | 422,621      | 422,621      |
|                                      | 2,745,437    | 2,301,078    |
| Coût net de l'émission d'obligations | 101,226      | —            |
|                                      | 2,644,211    | 2,301,078    |

# ÉTAT CONSOLIDÉ DE PROVENANCE ET D'UTILISATION DES FONDS

| EXERCICE TERMINÉ LE                                                |              |              |
|--------------------------------------------------------------------|--------------|--------------|
|                                                                    | 25 mars 1967 | 26 mars 1966 |
| <b>PROVENANCE DES FONDS</b>                                        |              |              |
| Bénéfice net des opérations                                        | \$ 866,980   | \$ 759,812   |
| Items ne réduisant pas le fonds de roulement                       |              |              |
| Amortissement des immobilisations                                  | 452,425      | 388,243      |
| (Profit) ou perte sur vente d'immobilisations                      | (3,960)      | 2,995        |
| Bénéfices comptants des opérations                                 | 1,315,445    | 1,151,050    |
| Diminution des emprunts et des avances                             | 23,597       | 50,214       |
| Produit de vente de terrain                                        | 53,007       | —            |
| Emission d'obligations, moins escompte et frais d'émission         | 2,898,774    | —            |
|                                                                    | 4,290,823    | 1,201,264    |
| <b>UTILISATION DES FONDS</b>                                       |              |              |
| Augmentation des emprunts pour développement de magasins de détail | 141,191      | 62,559       |
| Acquisition d'immeuble à être vendu                                | —            | 76,239       |
| Augmentations d'immobilisations—nettes                             | 3,183,919    | 1,950,607    |
| Dividendes payés aux actionnaires                                  | 422,621      | 422,621      |
|                                                                    | 3,747,731    | 2,512,026    |
| AUGMENTATION NETTE (DIMINUTION) DU FONDS DE ROULEMENT              | 543,092      | (1,310,762)  |

# DOUZE ANNÉES DE PROGRES

## VENTES

en milliers de dollars



## PROFIT NET

en milliers de dollars

RECETTES NETTES (cash flow)



## AVOIR DES ACTIONNAIRES

en milliers de dollars





## PERSONNEL

Nos employés demeurent notre actif le plus précieux en rapport aux bénéfices. L'augmentation du coût d'opération et la concurrence accrue, qui existent maintenant dans le commerce de l'industrie alimentaire, exigent des efforts plus ardents afin de produire un bénéfice normal d'opération. Votre société est heureuse d'avoir à son service, une équipe de dirigeants lesquels, par leur longue expérience et leur dévouement, nous permettent d'obtenir le succès en dépit des conditions existantes.

## FINANCIAL

Nous sommes déterminées à continuer d'obtenir des résultats satisfaisants, malgré les pressions subies actuellement par l'industrie des distributeurs d'aliments et qui affectent le profit brut. Shop & Save possède maintenant un plus grand centre de distribution moderne et peut accroître ses activités et bénéficier d'économies dans ses opérations. Une plus grande concentration d'efforts, pour obtenir plus de ventes et un meilleur contrôle des dépenses, sont à l'ordre du jour.

Notre but est d'offrir aux consommateurs d'aliments, une plus grande satisfaction dans les prix, qualité et service, tout en gardant pour la société un profit légitime.

## RECONNAISSANCE

Nous sommes reconnaissants envers nos fournisseurs pour leur collaboration particulièrement utile. Nous remercions éga-

lement tous nos clients pour leur encouragement. A chacun de nos employés, nous exprimons notre appréciation pour leur loyauté et leur zèle dans l'accomplissement de leur devoir. L'intérêt soutenu de nos actionnaires est de nature à encourager tous les membres de la grande famille Shop & Save à déployer leurs meilleurs efforts pour assurer le succès des affaires de la société.

Au nom du conseil d'administration



FRANK A. JUNO

Président et Gérant général

Montréal, le 11 juillet 1967.

nouveau dépôt d'approvisionnement et l'équipement d'entrepôt et de magasins, notre fonds de roulement s'établissait à \$805,485. L'avoir des actionnaires représente une valeur de \$6.55 par action, l'an dernier cette valeur était \$6.23.

A la date du bilan, 25 mars 1967, notre inventaire de marchandises en entrepôt était \$1,200,000 au-dessus du montant normal, et conséquemment, nos comptes à payer affichaient le même excédent. A la fin de l'exercice financier, nous avions en mains un stock de marchandises dans chacun de nos deux entrepôts, en raison du déménagement à nos nouveaux locaux, et cette situation temporaire est responsable de l'excédent d'inventaire mentionné plus haut. Grâce à la collaboration de nos fournisseurs, lesquels nous ont accordé des conditions spéciales de paiement, nous avons approvisionné notre nouvel entrepôt du maximum de marchandises requises, à la fin de l'exercice financier.

L'inventaire, du 25 mars 1967, a été réduit depuis à un niveau normal, par suite d'expéditions de marchandises aux magasins. Le montant de nos comptes à payer est aussi redevenu normal.

## NOUVEAU CENTRE DE DISTRIBUTION

Le nouveau centre de distribution de la société possède plusieurs avantages, dont son site de choix, sa grandeur et sa disposition, lesquels sont désignés pour suffire aux besoins toujours accrus de notre commerce. Ce centre est doté d'installations et d'équipement les plus modernes, permettant une plus grande efficacité d'opérations. L'inauguration du département de l'ordi-

## EXPANSION

nature électronique est également de la plus haute importance; la phase initiale de contrôle d'inventaire démontre déjà sa valeur au niveau de l'entrepôt et des magasins. L'adaptation de cet ordinateur électronique à d'autres sphères d'opérations se poursuit, et les avantages de ces informations additionnelles continueront, après un certain temps, à une conduite plus efficace et profitable de notre commerce.

La planification et le développement du nouveau dépôt d'approvisionnement de la société ont causé une réduction du nombre d'ouvertures de nouvelles unités de détail l'an dernier; cependant, cinq nouveaux magasins ont été ajoutés, portant à 60 le nombre de ces unités maintenant en opération. Nous croyons ajouter trois ou quatre nouveaux magasins durant l'exercice en cours.

Le nombre de nos entrepôts auxiliaires (Cash & Carry) est demeuré le même; malgré ce fait, les ventes de cette division ont atteint de nouveaux sommets l'an dernier. Nous étudions les possibilités de ventes dans certaines régions, afin d'y établir au besoin de nouveaux entrepôts auxiliaires.

Le nombre de détaillants indépendants I.G.A. a été maintenu. Les ventes de ces magasins ont été supérieures et plusieurs de ces magasins ont aussi obtenu des bénéfices sans précédent.

## AUX ACTIONNAIRES

Pour la 12<sup>ième</sup> année consécutive, depuis l'acquisition de la société par la direction actuelle de Shop & Save (1957) Ltd., il me fait plaisir de vous informer des nouveaux sommets de ventes et de bénéfices obtenus. L'amélioration importante du fonds de roulement de la société et l'occupation de notre nouveau dépôt d'approvisionnement avec ses facilités et son équipement des plus modernes rehaussent aussi le tableau de nos opérations cette année.

Les résultats de l'exercice terminé le 25 mars 1967 et les informations comparatives de l'exercice précédent sont démontrés dans les états financiers contenus dans ce rapport.

## RÉSULTATS DES OPÉRATIONS

Le volume total de nos ventes, au chiffre de \$63,629,854, a survécu, celui de l'exercice précédent, passé de \$7,669,852, ou 13.70%, celui de l'exercice précédent, établi à \$55,960,002.

Le bénéfice net, après impôts, a été \$866,980 en comparaison de \$759,812 réalisé durant l'exercice précédent. Ce bénéfice a donc augmenté de \$107,168 ou 14.10%. Calculé par action émise, ce profit représente 82 cents par action comparativement à 72 cents par action l'an dernier. Les recettes nettes avant amortissement ont été \$1,315,445 en regard de \$1,151,050 pour l'exercice précédent ou l'équivalent de \$1.25 et \$1.09 par action. Le bénéfice des opérations (avant impôts) de \$1,456,980 est 21.42% plus élevé

## FINANCES

En analysant les résultats du dernier exercice, nos actionnaires doivent tenir compte du fait que nos bénéfices ont été réduits par des dépenses extraordinaires encourues par le déménagement au nouveau dépôt d'approvisionnement de la société, et par la préparation des programmes et l'installation de notre ordinateur électronique. Toutes ces dépenses ont été payées ou chargées à nos opérations.

Lors de la publication de notre dernier rapport annuel, vos administrateurs entrevoyaient d'augmenter les emprunts de banque pour suffire aux besoins urgents de fonds additionnels. Par la suite, les restrictions du crédit ont obligé la société à changer d'avis, et nous avons décidé d'obtenir les fonds nécessaires, du marché public, afin d'augmenter notre fonds de roulement.

En décembre dernier, la société a vendu \$3,000,000 d'obligations convertibles à intérêt de 6½% échéant dans 20 ans. Ce mode de financement, de l'avis de vos administrateurs, était le plus économique en raison des conditions courantes du marché.

Au 25 mars 1967, après des déboursés de capital de l'ordre de \$3,183,919 durant l'exercice terminé, incluant le coût complet du

Siège Social et Entrepôt 11281 boul. Albert Hudon  
Montréal-Nord, P.Q.

## CONSEIL D'ADMINISTRATION

A. Archambault  
\*G. Hudon  
\*F. A. Juno  
\*J. A. Nolan, c.r.  
\*S. F. Raymond  
M. B. Rowe  
\*W. B. Younkie  
\*Comité Exécutif

## OFFICIERS

F. A. Juno, .....Président et Gérant Général  
G. Hudon, .....Vice-Président Exécutif  
W. B. Younkie  
S. F. Raymond  
J. A. Nolan, c.r.  
A. Archambault  
Vice-Président  
Vice-Président  
Secrétaire  
Trésorier

Agent de Transfert et Régistrare  
THE ROYAL TRUST COMPANY  
Montréal et Toronto

Banquiers  
BANQUE DE MONTREAL  
BANQUE PROVINCIALE DU CANADA

Vérificateurs  
CAMPBELL, SHARP, MILNE & CO.  
Montréal, P.Q.



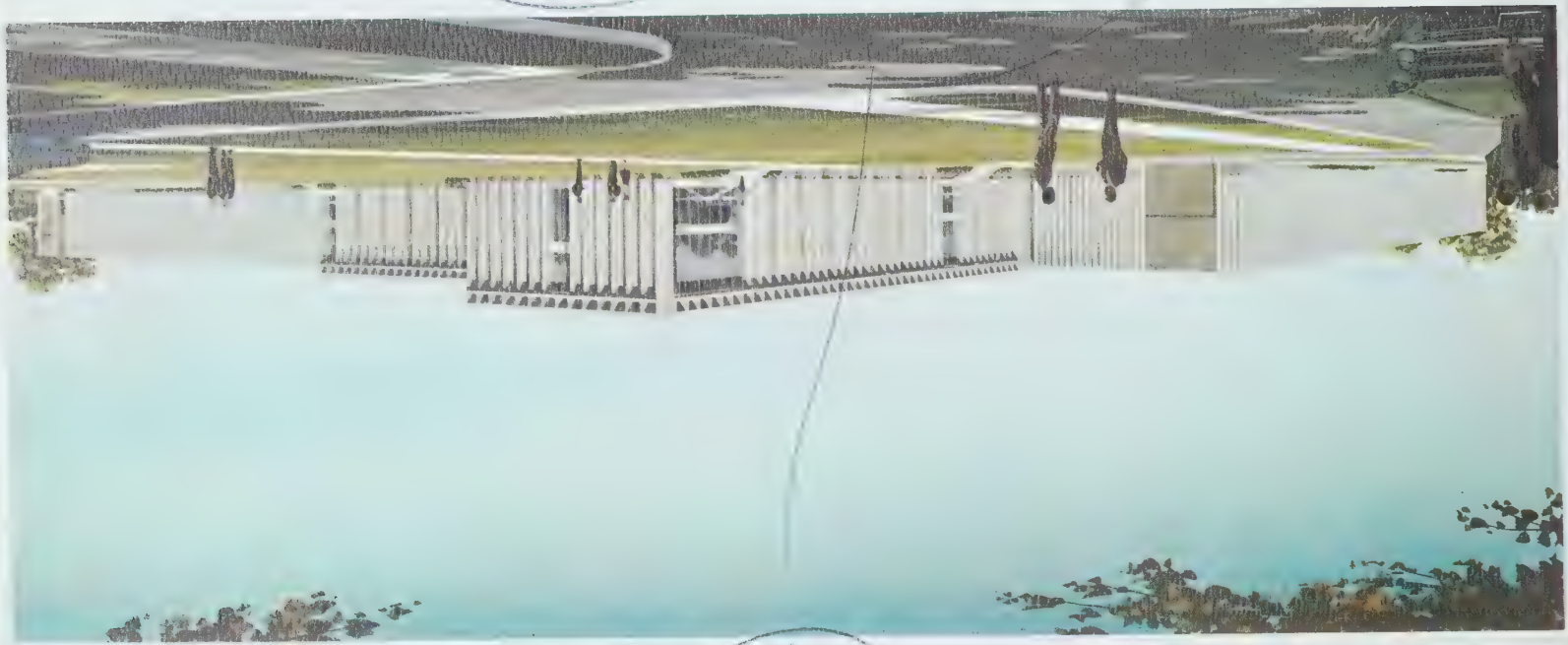
Notre nouveau dépôt d'approvisionnement illustré sur  
la couverture de ce rapport a été complété au début de  
1967. Nous avons commencé à opérer de ce centre  
le 27 mars dernier.



EXERCICE TERMINE LE 25 MARS 1967

# RAPPORT ANNUEL

## SHOP & SAVE (1957) LTD.



ma

# RECOMMENDED FOR CURRENT INVESTMENT

## INCOME & SAFETY

| DEBENTURES                                                        | Call Price | Current Price | Current Yield |
|-------------------------------------------------------------------|------------|---------------|---------------|
| I.A.C. 7% Convertible Debs. due Nov. 1, 1985                      | 107        | 101           | 6.93%         |
| Shop & Save 6½% Convertible Debs due Dec. 15, 1986                | 104.75     | 106           | 6.13          |
| Westcoast Transmission 5½% "E" Convertible Debs. due Nov. 1, 1984 | 105.75     | 94            | 6.12          |

## PREFERRED SHARES

|                                                         |       |       |      |
|---------------------------------------------------------|-------|-------|------|
| Canadian Pacific Investments 4½% Convertible \$20 p.v.  | n.c.  | 22.50 | 4.2% |
| Northern & Central Gas "B" \$1.50 Convertible \$25 p.v. | 26.50 | 28.25 | 4.5  |
| John Labatt \$1.00 Convertible \$18 p.v.                | n.c.  | 21.75 | 4.6  |

## DEFENSIVE

|                           | Current Price | P/E Ratio | Yield |
|---------------------------|---------------|-----------|-------|
| Algoma Steel              | 18.50         | 15.1      | 5.4%  |
| Bank of Montreal          | 12.50         | 18.4      | 4.5   |
| B.C. Telephone            | 57.00         | 12.7      | 4.6   |
| Calgary Power             | 23.50         | 14.9      | 4.7   |
| Canadian Breweries        | 7.50          | 13.4      | 4.8   |
| Distillers Corp.-Seagrams | 43.75         | 14.6      | 4.9   |
| Dofasco                   | 17.50         | 11.5      | 5.4   |
| Molson Breweries "A"      | 19.50         | 13.6      | 5.7   |

## SPECIAL GROWTH SITUATIONS

|                          |       |      |     |
|--------------------------|-------|------|-----|
| Anthes Imperial "A"      | 31.00 | 15.5 | 2.2 |
| R. L. Crain              | 15.50 | 6.7  | 6.2 |
| Emco                     | 16.75 | 12.4 | 3.2 |
| Husky Oil                | 24.50 | 24.3 | 1.2 |
| M. Loeb                  | 13.25 | 16.6 | 1.5 |
| Newconex Holdings        | 7.60  | 34.5 | 0.9 |
| Placer Development       | 29.50 | 13.2 | 2.7 |
| Scottish & York Holdings | 11.50 | 19.8 | 1.7 |
| Shop & Save              | 13.50 | 14.5 | 3.0 |
| Standard Radio (a)       | 50.00 | 34.9 | 2.0 |
| White Pass & Yukon       | 35.25 | 20.5 | 1.4 |
| Zeller's (b)             | 47.50 | 24.9 | 1.9 |

## SPECULATIVE

|                                  |      |      |     |
|----------------------------------|------|------|-----|
| Cons. Proprietary Mines Holdings | 1.40 | —    | —   |
| Conwest Exploration              | 8.00 | 34.8 | 1.5 |
| Frobex                           | 3.20 | —    | —   |
| Mogul Mines                      | 4.40 | —    | —   |
| Rayrock Mines                    | 1.75 | 11.7 | —   |

(a) to be split 5 for 1

(b) to be split 4 for 1

## MARKET COMMENT

There is no doubt that the basic problems facing the United States' economy remain largely unsolved particularly the balance of payment problem. In addition international liquidity has been substantially reduced in recent years and many nations of the western world are experiencing the discomfort of inflation.

In spite of the thunder clouds looming overhead we are and have been bullish since President Johnson's historic announcement of April 1. We recognize that much must be done to restore the United States' economy to health, however, we believe that the illness has been diagnosed and that efforts are now being made to apply the cure. Opportunities for profitable investment in the stock market generally exist in times such as these. Share prices will undoubtedly be considerably higher when the factors that contributed to the market decline of late 1967 and early 1968 are finally resolved. It is a time for courageous action.

\* \* \*

In this month's letter we feature Shop & Save, an IGA wholesale food merchandiser. The food industry is particularly well insulated against economic recession but this company also appears to be in a position to take advantage of conditions in an expanding economy. Shop & Save therefore is a most suitable investment at this time.

**Davidson & company**

CONSULT YOUR LOCAL OFFICE

### TORONTO

25 Adelaide Street West  
Telephone 362-4911

### MONTREAL

715 Victoria Square  
Telephone 844-3722

### KITCHENER

305 King Street West  
Telephone SH 3-5251

### HAMILTON

20 Jackson St., West  
Telephone 527-9217

### HULL

112 Main Street  
Telephone 771-8396

### ST. CATHARINES

50 King Street  
Telephone MU 5-7383

### OTTAWA

77 Metcalfe Street  
Telephone 232-7171

### LONDON

Suite 601, Canada Trust Bldg.  
Telephone 434-2726

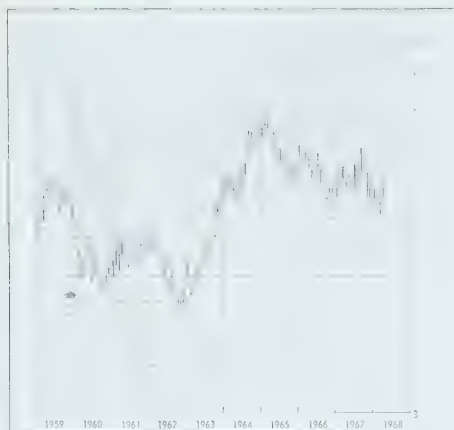
BY THE  
MONTH

M A Y  
ISSUE 4 VOL. 6

AR30

## SHOP & SAVE (1957) LTD.

Recent Price: \$13 1/2  
Indicated Dividend: \$ 0.40  
Yield: 3.0%



## IGA - Independent Grocer's Alliance

In the 1920's independent grocers in the United States were finding the large food chain organizations extremely stiff competition. In 1925 IGA was formed as a voluntary association of independent grocers to provide bulk buying, low cost distribution, pooled advertising and merchandising research. IGA has since become the second largest merchandising organization in the world with some 6,100 affiliated retail outlets and sales of over \$4-billion in 1967.

In the post-war years independent food retailers in Canada experienced much the same competitive pressures as their U.S. counterparts did in the 1920's. IGA therefore came to Canada in 1951. The organization has grown steadily and now encompasses some 875 outlets with sales of over \$500-million or about 10% of the national total.

Perhaps the most important reason for IGA's success is separation of the two functions of retailer and wholesaler. Unlike most chain store organizations, IGA outlets are more often than not operated by owner-managers. The incentive of ownership is difficult to measure but it is undoubtedly a significant factor contributing to the health and growth of IGA. The IGA owner-manager is on equal competitive footing with the chain operator but the ultimate profitability of his business rests with him.

The function of the IGA wholesaler is to service the retail affiliate with quality merchandise as cheaply and as efficiently as possible. He is also responsible for pooled advertising programmes, promotions and merchandising research. In addition, the wholesaler may assist in the development of new outlets by providing capital or by developing store properties and leasing them to owner-managers.

### The Market

We have already mentioned that Shop & Save's franchise area has a population of about five million. Food sales in this market are estimated at \$1.2 billion. With estimated sales in fiscal 1968 of \$72 million, Shop & Save has about 6% of its possible market. This is considerably less than some of the other IGA wholesalers such as Oshawa Wholesale and Loeb which have from 12-15% of their markets. It should also be pointed out that the chain stores do not have the same dominant position in Quebec that they have in other parts of Canada, particularly Ontario illustrated as follows:

|                           | ONTARIO | QUEBEC | CANADA |
|---------------------------|---------|--------|--------|
| Chains                    | 60.6%   | 31.4%  | 47.0%  |
| Affiliated Groups         | 34.2    | 48.8   | 38.2   |
| Unaffiliated Independents | 5.2     | 19.8   | 14.8   |
|                           | 100.0%  | 100.0% | 100.0% |

There would appear to be considerable potential in Quebec for purchase of voluntary or affiliated groups and also to bring more independents into the IGA organization.

### Future Growth

In spite of the fact that it has been outshone by its more glamorous associate, Oshawa Wholesale, Shop & Save's growth rate leaves little to be ashamed of. In the past ten years sales have grown at an average annual rate of 11.5% and net profit 18.0% - better than twice and three times, respectively, the rate of growth of the Canadian economy.

Outlook for the next decade is promising. We have pointed out that the company's market offers certain advantages not present to the same degree in other areas. Shop & Save has also assumed a more aggressive approach to realization of this potential. A new larger distribution centre has recently been put into operation in Montreal encompassing the most modern distribution technology including high-speed data processing equipment. Increased efficiency is already being reflected in higher profit margins.

We expect that sales and profits will continue to grow at much the same rates established in the past ten years - 11% and 18% per annum, respectively.

### Summary

The company has not yet reported results for the year ended March 25, 1968, however in the 12 month period ended January 6, 1968, sales increased 11.6% and profits 22%. In the full year therefore we estimate sales of about \$72-million vs. \$63.6-million last year and net profit of 95 cents per share vs. 82 cents.

At current levels of about \$13 1/2 Shop & Save sells at 14.5 times estimated 1967-68 earnings to yield 3.0% on the current 40 cent dividend rate. Both ratios are reasonable in relation to other food merchandisers, particularly IGA wholesalers. A more conservative investor can participate in Shop & Save through the 6 1/2% convertible debentures which are currently priced at about 106 and give an eight year call on the stock at prices ranging from \$15.38 at present to \$20 in 1976. The present price of the common shares does not give full weight to the established and projected growth of this well managed company.

### THE COMPANY

Shop & Save is one of nine IGA wholesalers franchised to operate in Canada. The Company's market, in terms of population, is larger than that of any of its associates with some 5,000,000 persons. The franchise area covers all of the Province of Quebec with the exception of Hull and the Eastern Townships. Sixty-three company owned and sixty privately owned IGA stores are serviced together with a large number of independent outlets. In addition to a new distribution centre in Montreal, Shop & Save also operates four cash and carry warehouses.

| Year ended<br>March | Sales        | Per Share |        |
|---------------------|--------------|-----------|--------|
|                     |              | Earned    | Paid   |
| 1968                | \$72,000,000 | \$0.95    | \$0.40 |
| 1967                | 63,630,000   | 0.82      | 0.40   |
| 1966                | 55,960,000   | 0.72      | 0.40   |
| 1965                | 49,500,000   | 0.68      | 0.40   |
| 1964                | 41,924,000   | 0.67      | 0.40   |



Press Article Authorized by:

AR30

Shop & Save (1957) Ltd.,  
8484 Esplanade Ave.,  
Montreal 11, Que.

● FOR RELEASE

THURSDAY, NOVEMBER 7TH, 1967.

SHOP & SAVE SETS NEW TOPS SALES AND PROFITS  
First Half Sales Rise 13.1% To \$38,018,636 -- Net Per Share 41c Against 35c

Sales of Shop and Save (1957) Ltd. for the six months ended Oct. 14, 1967 of \$38,018,636 established a record for the period, rising 13.1% from \$33,628,987 in the first half of the preceding fiscal year. It is particularly gratifying, notes F. A. Juno, President and General Manager, in the interim report that most of the increased volume was derived from those outlets that were in operation at the beginning of the current fiscal year.

Net profit for the first six months of \$430,903 or 41 cents per share, also set a new peak and were up 16.1% from \$371,326 or 35 cents per share in the first half of last year. Profit margin ratio to sales in the latest period was 1.13% as against 1.10%. Earnings showed a higher percentage increase than sales, contrary to the current trend of food industry results. This indicates a good picture of expense control, Mr. Juno states.

The cash sale of the company's old warehouse property at a reasonable price, and earnings cash flow have combined to significantly strengthen working capital position which now amounts to approximately \$2 million as compared with \$805,485 at the beginning of the year.

The new distribution centre is functioning smoothly and no impediments to its growing efficiency have been encountered, shareholders are informed. Company's expansion policy, which has proceeded at a moderate pace so far this year, will be steadily pursued. Management looks forward to a continuance of profitable operations during the balance of the year.





# SHOP & SAVE (1957) LTD. REPORT FOR 1967-68 FISCAL YEAR TO END OF HALF YEAR

BOUL. HENRI BOURASSA & ALBERT HUDON BLVDS.

MONTREAL 39. QUE.

December 6, 1967

TO OUR SHAREHOLDERS

We are pleased to inform you herewith of the operating results (unaudited) of your Company for the first half of the current fiscal year, ended October 14, 1967. A comparison with the first half of the preceding fiscal year is also shown. Additional information, furnished for the first time in our interim reports, is a Statement of the Source and Application of Funds applicable to the Company's half year operations.

The improvement in sales establishes same at a new record high. It is particularly gratifying to note that most of the increased volume was derived from continuing outlets, i.e. those in operation at the beginning of the current fiscal year.

You will observe that earnings, also at a new high level, show a higher percentage increase than that of sales, contrary to the general trend of current food industry results. A good picture of expense control is thus indicated.

The cash sale of our old warehouse property at a reasonable price, and earnings cash flow have combined to significantly strengthen the Company's net working capital position, which is now at approximately \$2 million versus \$805,485. at the beginning of the year.

Our new Distribution Centre is functioning smoothly and no impediments to its growing operating efficiency have been encountered.

Our expansion policy, which has proceeded at a moderate pace so far this year, will be steadily pursued.

We look forward to a continuance of profitable operations during the balance of the year.

Respectfully submitted,

President and General Manager

## STATEMENT OF SALES AND EARNINGS

|                                                         | <u>1966/67</u> | <u>1967/68</u> | <u>Increase</u> | <u>%</u> |
|---------------------------------------------------------|----------------|----------------|-----------------|----------|
| Sales                                                   | \$ 33,628,987  | \$ 38,018,636  | \$ 4,389,649    | 13.1     |
| Operating Income                                        | 700,614        | 813,063        | 112,449         | 16.1     |
| Taxes (estimated)                                       | 329,288        | 382,160        | 52,872          | 16.1     |
| Net Profit                                              | 371,326        | 430,903        | 59,577          | 16.1     |
| Profit margin ratio to sales                            | 1.10%          | 1.13%          |                 |          |
| Net profit per share<br>(on outstanding 1,056,552 shs.) | 35¢            | 41¢            |                 |          |

## STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

|                                                        | <u>FIRST<br/>HALF<br/>1967/68</u> |
|--------------------------------------------------------|-----------------------------------|
| <u>SOURCE OF FUNDS</u>                                 |                                   |
| Net earnings from operations                           | \$ 430,903                        |
| Item which does not reduce working capital:            |                                   |
| Depreciation of fixed assets                           | <u>325,272</u>                    |
| Cash flow from earnings                                | 756,175                           |
| Reduction of investment in affiliated company          | 39,550                            |
| Proceeds of sale of land and buildings held for resale | 835,685                           |
|                                                        | <u>1,631,410</u>                  |
| <u>APPLICATION OF FUNDS</u>                            |                                   |
| Increase in loans for retail store development         | 44,750                            |
| Increase of loans and advances                         | 15,116                            |
| Additions to fixed assets, less proceeds of sales      | 183,775                           |
| Payment of dividends to shareholders                   | 211,310                           |
|                                                        | <u>454,951</u>                    |
| Net increase in working capital                        | <u>1,176,459</u>                  |



# ETAT DES VENTES ET BENEFICES

|                                                    | 1966/67       | 1967/68       | Augmentation | %    |
|----------------------------------------------------|---------------|---------------|--------------|------|
| Ventes                                             | \$ 33,628,987 | \$ 38,018,636 | \$ 4,389,649 | 13.1 |
| Revenu d'opérations                                | 700,614       | 813,063       | 112,449      | 16.1 |
| Impôts (estimés)                                   | 329,288       | 382,160       | 52,872       | 16.1 |
| Bénéfice net                                       | 371,326       | 430,903       | 59,577       | 16.1 |
| Marge de profit par rapport aux ventes             | 1.10%         | 1.13%         |              |      |
| Bénéfice net par action (1,056,552 actions émises) | 35¢           | 41¢           |              |      |

## ETAT CONSOLIDE DE PROVENANCE ET D'UTILISATION DES FOND

PREMIER  
SEMESTRE  
1967/68

### PROVENANCE DES FOND

|                                               |                  |
|-----------------------------------------------|------------------|
| Bénéfice net des opérations                   | \$ 430,903       |
| Item ne réduisant pas le fonds de roulement:  |                  |
| Amortissement des immobilisations             | 325,272          |
| Bénéfices comptants des opérations            | 756,175          |
| Diminution du placement dans société affiliée | 39,550           |
| Produit de vente de terrains et immeubles     | 835,685          |
|                                               | <u>1,631,410</u> |

### UTILISATION DES FOND

|                                                                    |                |
|--------------------------------------------------------------------|----------------|
| Augmentation des emprunts pour développement de magasins de détail | 44,750         |
| Augmentation des emprunts et des avances                           | 15,116         |
| Augmentations d'immobilisations - nettes                           | 183,775        |
| Dividendes payés aux actionnaires                                  | 211,310        |
|                                                                    | <u>454,951</u> |
| Augmentation nette du fonds de roulement                           | 1,176,459      |



SHOP & SAVE (1957) LTD.

BOUL. HENRI BOURASSA & ALBERT HUDON BLVD.

MONTREAL 39, QUE.

## A NOS ACTIONNAIRES

Le 6 décembre 1967

## RAPPORT DU PREMIER SEMESTRE 1967-68

Il nous fait plaisir de vous soumettre ci-joints les résultats consolidés des opérations de votre société, non examinés par nos vérificateurs, pour le premier semestre de l'exercice financier en cours, terminé le 14 octobre 1967. Les chiffres comparatifs pour le même semestre de l'exercice financier précédent sont aussi indiqués. Nous soumettons pour la première fois dans nos rapports intermédiaires un état consolidé de provenance et d'utilisation des fonds se rapportant aux opérations de la société pour le premier semestre.

Le volume de nos ventes a atteint un nouveau sommet. Nous sommes particulièrement heureux de vous informer que l'augmentation des ventes provient surtout du volume additionnel obtenu par nos magasins déjà en opération (au commencement du présent exercice financier).

Nos bénéfices ont aussi atteint de nouveaux sommets et leur pourcentage d'augmentation est supérieur à celui des ventes, contrairement aux résultats courants obtenus par l'industrie alimentaire. Nos résultats démontrent un contrôle efficace des dépenses.

La vente au comptant de notre entrepôt de l'avenue Esplanade à un prix raisonnable, ainsi que l'encaisse obtenue par nos profits, ont renforcé substantiellement le fonds de roulement de la société, lequel est d'environ \$2 millions comparé à \$805,485. au commencement de l'exercice financier.

Durant le premier semestre notre expansion s'est poursuivie à un rythme modéré et notre politique d'expansion sera maintenue.

Notre nouveau centre de distribution fonctionne d'une façon très satisfaisante et nous n'avons rencontré aucun obstacle qui puisse nuire à son efficacité future.

Nous croyons que l'augmentation de nos bénéfices se maintiendra jusqu'à la fin du présent exercice financier.

Respectueusement présenté,

J. A. J.   
Président et Gérant Général